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## 9 Neighbouring in Anxiety along the China-Vietnam Border

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### Introduction

In the early morning of November 30<sup>th</sup>, 2007, a dozen Chinese trucks lined up at the Hekou-Lao Cai border gate and blocked the bustling traffic. Around these trucks, a small crowd of Chinese traders and drivers congregated in dismay, complaining loudly about unfairness and injustice. It was the official opening day of the seventh Annual China-Vietnam Border Trade Fair (*Zhong-Yue bianjing jingji maoyi jiaoyihui* 中越边境经济贸易交易会; hereafter the Trade Fair). Under the red banners that proudly announced the success of the Trade Fair, Chinese grievances and disappointment were growing. These trucks, fully loaded with various kinds of merchandise, had attempted to cross the border to reach the Trade Fair's venue in Lao Cai. As they proceeded with customs clearance, to their surprise, they were told by the Lao Cai Customs Office to pay additional tariff by 60 to 140 percent on almost all their commodities, despite the fact that a special duty-free policy was in place for the Trade Fair, which had been the case for the past six years.

At first, Chinese traders, many of whom came from faraway places in Guangdong, Fujian, Shandong, and Sichuan, regarded the unexpected tariffing at the border gate as a mistake of some kind. They reasoned and explained, trying to make the Vietnamese officials understand that the commodities were specifically for the Trade Fair. Pretty soon they realized that their reasoning and pleas were useless. Unable to cross the border without paying, unwilling to go back empty-handed, the Chinese traders were fuming with anger and felt cheated. A few Yunnanese traders were among the loudest; they decided to lead the pack back to the Chinese side of the border and protested in front of the Hekou Entry and Exit Inspection Center. They demanded to see Chinese officials immediately for explanations and solutions.

\* The ethnographic materials used in this chapter are drawn from my 12-month fieldwork in Hekou and Lao Cai in 2007, and a short one-month fieldtrip in 2012. Pseudonyms are used throughout this chapter. I acknowledge with much gratitude the generous support by the University of New England, Australia, Asia Research Institute, National University of Singapore, and Macquarie University, Australia for fieldwork and writing.

This incident reveals the inherently precarious nature of the seemingly benign undertaking of 'neighbouring'. Through this incident, this chapter zooms in onto a particular moment in contemporary neighbouring relations when neighbourly intimacy is defined by cooperation and mutual interest as much as lurking crises and anxieties. To be one's neighbour is to enter into the intimate realm of contact and to be confronted by its vicissitudes. Focusing primarily on the Chinese practice of neighbourly unease, this chapter offers reflections on how apprehensions and anxieties are constitutive forces in the agonistic intimacy of neighbouring. With this Trade Fair incident, this chapter shows that at the moment of acute anxiety, a stronger motivation to strengthen the façade of 'neighbourly harmony' rises. Everyday trade relations, in particular, are sustained by Chinese and Vietnamese partners in practice – not in spite of anxieties but, in fact, are *motivated* by anxieties. Just as Franck Billé's description (Chapter 1, this volume) of the envious gazes between the Russian and Chinese neighbours across the Amur River as both motivating and unsettling, the moving force of neighbourly unease at the China-Vietnam border keeps cordial gestures and productive practices in play. 'Neighbourly harmony' is inherently fragile and volatile. It is a constant practice and is in perpetual need of construction and reinforcement.

Through the drama of the failed yet 'successful' (as the official news proclaimed) Trade Fair, this chapter examines the intricate ways in which Chinese traders manage daily affairs with their Vietnamese neighbours, accompanied by a particular sense of unease of their encounters. This unease is at once a recognition of the unpredictability of dealing with close neighbours. It is also a performative and rhetorical strategy to ensure that surface harmony is maintained, and cooperation on a day-to-day basis is upheld. Through traders' discourses of suspicion and distrust, this chapter explores the constructive force of anxieties that impels compromises, negotiations, ceremonial rituals, staging of friendship, and performances of cooperation.

I locate this neighbourly unease within the dynamic processes of China and Vietnam's reform and opening since the 1980s. At the China-Vietnam border, drastic transformations took place after the brutal 1979 Sino-Vietnamese Border War (hereafter the border war) and the subsequent political stalemate. This borderland was heavily militarized and the border remained shut for a whole decade.<sup>1</sup> Starting from the early 1990s, while the border zone was still mired in restrictions and dangers, a few traders

1 It is beyond the scope of this chapter to discuss the Sino-Vietnamese Border War in 1979, its causes and consequences. For details, see for example Li (2007) and Tretiak (1979).

started to explore the untapped trans-border marketplace with bartering and small-scale trade. The consequence of the border war seemed to have little effect on the nascent border trade, as borderlanders soon learned to call their neighbours 'friends' and 'partners', rather than 'enemies'. Veteran soldiers cast off their military uniforms and changed into business suits. Peasants who escaped the war had returned to their bombed down homes to start small businesses. Within a short span of 20 years, the China-Vietnam border turned from one of the most restrictive zones of closure to a prosperous special economic zone of trade and leisure. This once contested border zone has now become a showcase for trans-border development, entrepreneurship, consumption and desire.

In what follows, I will first present briefly the recent history of violence and peace at the borderland and show that the inherent sense of conflict and distrust underpins contemporary efforts of peace and friendship. This is not to suggest that these efforts are dishonest in any way; in fact, because the conflicts and distrust are all too real, people have learned to be more cautious and cordial in order to make friendship work. I relate contemporary neighbourly anxieties to historical relations of power between China and its near neighbour where elaborate ceremonies of goodwill were sometimes spurred by insecurities and embarrassment. It shows that neighbourly gestures are performed most ceremoniously when tensions arise. I then describe the Trade Fair incident in detail and elaborate on the 'intimate insults' (Das 2007), stereotyping and jokes that Chinese traders used to belittle their Vietnamese neighbours. This practice revealed deep seated feelings of distrust, insecurity, and to a certain extent helplessness the Chinese experienced when trading with their neighbours – policies can change without notice, market competitions grow fierce, trading partners turn out to have little loyalty, profit margins become slim. While most of their frustrations have more to do with conflicts between government and business, Chinese at the border find fault with ordinary Vietnamese who may be also suffering from the hardening of the business environment. Unable to hold officials responsible for their arbitrariness, greed, and incompetence, Chinese traders blame their Vietnamese neighbours for being either too smart or too stupid, too flexible or too stubborn. At the same time, the Chinese try to keep the appearance of goodwill and neighbourly amity, knowing all too well that without such performative reassurance, business across the border might not be feasible. This constant state of dilemma and anxiety is the undercurrent to the hustle and bustle of cross-border interactions, the shadow of the amicable surface of everyday life at the margin of the state.

## Good Neighbours, Bad Neighbours, Good Neighbours Again

In their three thousand years of existence in close proximity and of intense interactions, the southern frontier of the Chinese empire and the northern regions of the Vietnamese kingdom went through various kinds of relationships that compounded the neighbouring situation: kin, rival, tribute successions. While evolving together through a long history of peace and war, prosperity and famine, Vietnam has never been able to escape the Chinese influence, and China has never been able to dominate Vietnam. The close proximity and mutual influence that the two nations had on each other produced a state of co-existence characterized by asymmetric power relations (Womack 2006). Since early histories, the neighbouring relations between China and Vietnam have been variegated, encompassing, and subject to continual making and remaking.

When the communist movement brought China and Vietnam together in pursuit of a revolutionary future, neighbouring took on a particular meaning of brotherhood and comradeship. As the 'big brother' in this relationship, China supported Vietnam's struggles against the French and then the Americans through military and material assistance. The Hekou-Lao Cai border, as one of the most important border ports between China and Vietnam, became a major pathway through which Chinese rice, corn, textiles, and weapons were brought to northern Vietnam. Meanwhile, China suffered the worst famine in modern history. Although millions died from starvation, Chinese aid to Vietnam did not stop. This deathly sacrifice that many Chinese made, willingly or grudgingly, was for the grander purpose of supporting an ideal of communist unity in the region. A rhetoric of 'helping a neighbour/brother' was used by the Chinese state to justify its actions while people learned to 'tighten their belts' to help a neighbour in need.

In the Hekou-Lao Cai border, however, local Chinese benefited from being physically close to their neighbours as they had better access to food and supplies. Starvation was minimal as local Chinese and Vietnamese shared the aid they received and much of the limited resources that they had. Those who had endured this period of hardship in Hekou still remembered this time fondly – although people had very little, they were generous; as neighbours Chinese and Vietnamese helped each other out: 'you gave me half bowl of rice, and I gave you a bunch of wild vegetables, that's how we survived together'.

It was the simple faith that neighbours ought to help each other out that sustained borderlanders through difficulties. When China declared war on Vietnam in the late 1970s it came as a shock to the locals. The building

up of animosity between these two countries was, in fact, gradual, lasting from the late 1960s to the 1970s. Before both states became openly hostile to one another, the rhetoric and performances of friendship and brotherhood continued to dominate. However, it was also during this period that strong suspicions and dissatisfactions started to grow. The leadership in China believed that they had lived up to the role of a 'brotherly neighbour' who never faltered when the Vietnamese were in deep crisis, and they expected respect and obedience in return. The Vietnamese suspected the Chinese attempt of domination and refused to become a puppet by seeking support from the Soviet Union instead. The Chinese leadership felt its 'natural authority' over Vietnam was defied and that blood and money had been spent for very little in return (Chen 1995). The Vietnamese gradually saw China as a new enemy because of its contempt and arrogance (Li 2007: 252). In the early 1970s, skirmishes along the China-Vietnam borders became more and more frequent. And on February 17<sup>th</sup>, 1979, the border war broke out. From then on, bloodshed and armed conflicts dominated the frontier zones. For the following ten years, the border was heavily militarized. Most borderlanders fled to inland regions in search of safety. Those who stayed continued to work as farmers, local guides, and civilian soldiers (*minbing* 民兵) to help their troops with food, surveillance and local defence.

Borderlanders on both the Chinese and Vietnamese sides who stayed through the decade-long conflict found it difficult to accept that their close neighbours could turn into enemies as many farmers were recruited to become armed civilian soldiers. The trust was ruined for those who could no longer tell whether their familiar neighbours were still innocent farmers or in fact merciless soldiers. One veteran in Hekou told me that when the war broke out he felt betrayed and hurt by the Vietnamese. He still had relatives and friends on the Vietnamese side who helped his family during the famine; but when conflicts intensified he became cautious of what he could say or do, for he was no longer sure if his acquaintances had already become Vietnamese spies. Now, in retrospect, he lamented that he must have been brainwashed into believing that his neighbours were 'devils' (*guizi* 鬼子) in disguise. A few local businessmen in Hekou who experienced the terror of war told me that the worst was when they saw the dead bodies of people they knew, who were killed by landmines, or by Vietnamese neighbours who regarded these people as soldiers. 'The Vietnamese are too close to us', one local trader told me, 'we have no place to hide if the Vietnamese were to launch an attack'.

Vietnamese borderlanders were equally weary of the border war. In fact, many of the Lao Cai residents still could not understand why the Chinese

declared war in the first place. One family that lived in Lao Cai for the past 30 years related to me their experience. The father used to be a farmer and continued to work on his fields during the Chinese invasion. Prior to the war he traded his produce regularly with the Chinese and this helped feeding his family. When the war broke out his family had to hide in the mountains for a few days. Upon returning they found that their house had been burned down, and some of their friends killed during the invasion. The close proximity bred fatality when a good neighbour turned into an enemy.

The political and military tensions between China and Vietnam lessened considerably since 1986. This was also when other coastal regions and provincial capitals in China began to benefit from the nationwide economic reforms. With caution and nervousness, local residents in Hekou and Lao Cai also started bartering and trading with one another at the river banks and hidden mountain tracks. Soon, both governments officially facilitated small-scale border trade at designated marketplaces even though diplomatic ties between China and Vietnam had not yet been resumed. Emphasizing on mutual help and local needs, trade was encouraged so that everyday commodities such as clothes, medicine, salt and sugar, and household utensils could be purchased. Since the 1990s, border trade soared after Hekou became an official 'open border port' (*bianjing kaifang kou'an* 边境开放口岸) designated by the Chinese State Council, and started to enjoy favourable policies as a special economic zone. Since 2007, Hekou has been the biggest and most profitable border port in Yunnan province (Hekou Ministry of Commerce 2008). Local borderlanders took advantage of the 'opening' of the border and ventured into various kinds of businesses. Trade markets thrived as businessmen, investors, and tourists started to arrive and explore new possibilities. As 'doing business' (*zuo shengyi* 做生意) dominated everyday cross-border interactions, Chinese and Vietnamese became once again friendly neighbours.

## Performative Intimacy

Today, both the Chinese and the Vietnamese governments maintain that the prosperity of the border special zone relies heavily on friendship, cooperation and peace. These are cast as the foundation of mutual progress and good neighbouring. Starting from 2002, Chinese leadership officially promoted its 'Good Neighbour Diplomacy' (*mulin waijiao* 睦邻外交) that promoted peace and stability, communication, and cooperation, and hoped that this could ease regional anxiety over China's 'rise' in economic and military



power. In Southeast Asia, China has been particularly friendly towards the Association of Southeast Asian Nations (ASEAN) as it aims to promote 'good neighbourly and friendly relations, increase high-level exchanges, and strengthen the mechanism of dialogue and cooperation in all areas to enhance understanding and mutual benefit' (Chambers 2005: 16). However, suspicions and anxieties in Southeast Asian countries do not easily go away when China seems to repeatedly violate the thin trust that is built upon non-binding bilateral agreements and business contracts. While Chinese leaders continue to join regional and international forums to promote dialogue and friendship, China's increasingly assertive behaviour in flexing military muscles, particularly when it comes to territorial disputes, remains alarming for China's neighbours. The South China Sea disputes in recent years, for example, demonstrates best the fragile nature of neighbourliness. As China signs action plans for strategic partnership with Vietnam, it also builds drilling platforms and other construction on the disputed Spratleys. While Vietnam strenuously protested against Chinese drilling and threatened an arbitration case at an international tribunal, it also has to emphasize the amicable relationship between two countries. While tensions over territorial disputes continue to cast shadows on China-Vietnam relations, friendship and good neighbourliness are also diligently performed.

Historically, for the Chinese, neighbouring entails a particular strategy of *huairou* (怀柔). James Hevia, when writing on imperial rituals and diplomacy of the Qing Empire, calls it 'cherishing men from afar' (Hevia 1995). Other scholars have pointed out that 'cherishing' may be too innocent a word as *huairou* indicates a distinct imperial attitude of pacifying barbaric nations through civilization and royal benevolence, so that these nations are willingly subservient to China's power and influence (Esherick 1998, Zhang 1998). The acts of *huairou* are performed most ceremoniously through imperial rites and rituals when nations near and far sent their embassies to pay tribute to the emperor. In return, they received gifts and concessions for commerce.

In the long history of Sino-Vietnamese relations, Annam (northern Vietnam) had always been viewed as a loyal and submissive tributary state of the Chinese Empire, although China could rarely get its way in conflicts or in peace. John E. Wills recorded a telling incident in the Qing history (Wills 2001). In 1725-1728, the Qing imperial court had to send troops to the Yunnan-Annam frontier to deal with a substantial Annamese encroachment of bordering territories due to claims to a promising silver mine. When the king of Annam refused to give up his claim to this zone and amassed soldiers at the border, Emperor Yongzheng decided that the



territory was not worth fighting for. The rivers and thick jungles made the frontiers nearly ungovernable, hill tribes were connected on both sides of the border, local lords were stubborn and powerful, and trade was taking place on unregulated markets and clandestine tracks. Giving the territory to Annam would be a grand gesture of *huairou*, as the Qing court hoped that Annam would be grateful to the generosity and benevolence of the emperor and remain loyal and submissive to the Qing rule. In the end, a great ceremony was held when the Annamese officials received the royal edict conceding the territory. The matter was settled and neighbourly peace resumed.

Bradley Davis (2014) documented another episode of borderland anxiety and cooperative power brokering from 1874 to 1879 when the Sino-Vietnamese frontier was under the rule of Vietnam's Nguyen dynasty but in effect dominated by the Black Flags (*heiqi jun* 黑旗军) led by a Chinese military rebel Liu Yongfu. When the Black Flags, an armed rebel band from southern China, entered northern Vietnam as they fled purging from the Qing army, they quickly established an alliance with the Nguyen court by killing Francis Garnier, a French explorer who advocated colonial expansion and attempted to overthrow Nguyen rule in the Red River Delta. Liu Yongfu, already a powerful local lord in the lucrative trading town of Lao Cai, set up customs posts in the frontier and demanded a much higher duty on trans-border trade and charged additional fees on transport, inspection, protection, and permission to sell. The French consulate and the Nguyen officials in Hanoi had to respect Liu's lordship and sent envoys to negotiate terms of commerce along the Red River. While maintaining respect and civility during the negotiations, the French and Vietnamese secretly called Liu 'an ignorant, unyielding, and mistrustful bandit who has lived by raping the mountains for these past twenty years' and the Black Flags 'the enemy of upland populations' (Davis 2014: 67). Still, the Nguyen authorities had to rely on Liu's army to keep peace and generate revenue through tax. In 1878, Liu was even awarded a special bonus by the Nguyen court, a payment made to mark special events and meritorious service to the state. Liu and his personal militia also began to receive regular salaries and supplies directly from the Vietnamese court on a monthly basis. The endorsement of Black Flags as officials enabled the Vietnamese court to maintain authority in areas beyond its administrative reach; at the same time, Liu and his armies were never to be trusted as they remained a vicious threat. Cooperative power brokering had to be entertained for the sake of frontier rule and profitability, even when anxiety and mutual distrust remained central to such an uneasy relationship.

These incidents in the Sino-Vietnamese history point to the critical intimacy in a neighbouring relation when conflicts and distrust co-exist with performances of goodwill and fidelity. This inherent tension is unlikely to go away, as it continues to trigger caution and inspire greater efforts in making relationship work. The Sino-Vietnamese border conflict was another major incident in the history of these two neighbours when intimate ties broke down and had to be rebuilt again. But trust was not easy to find. Brantley Womack wrote about the lingering effect of distrust in his reflection of the asymmetric relations between China and Vietnam:

After the normalization of Sino-Vietnamese relations in 1991, [...] the disparity remained and grew more complicated. Now both countries were concerned about developing a peaceful relationship, but “off the record” and in concrete areas of confrontation, the Chinese disparaged the Vietnamese as unreliable, while the Vietnamese were alert to Chinese malevolent inscrutability and bullying. The attitudes were not simply the residual effects of previous hostility. The issues were the peacetime problems of border trade, bridges, rail connections, and so forth, not problems of history. But there was a continuity of roles. Vietnam tended to be overly sensitive to China’s actions, while China tended to be insensitive to the effects of its policies on Vietnam. (Womack 2006: xi)

If at the official level, such distrust is experienced subtly and expressed vaguely, at the local level, borderlanders who live in close contact have a more complicated view of neighbouring anxiety. On the one hand, past shadows of war and sabotage continue to haunt borderlanders, and the constant movement of traders, workers, tourists and other visitors at the trans-border marketplace makes any long-lasting relationship difficult to maintain. On the other hand, trade and collaboration must go on as usual despite the underlying anxieties. The intimate relations borderlanders forge are always fraught with subterranean caution and uneasiness.

### **The Trade Fair and Its Unease**

The Annual China-Vietnam Border Trade Fair was the brainchild of the Yunnan provincial government and China’s Ministry of Commerce. It is the first official trading function organized by local governments of Hekou and Lao Cai to consolidate China-Vietnam cross-border ties. The first Trade Fair was held in Lao Cai in December 2001, which was considered a huge

success by both local governments in terms of economic benefit and symbolic significance. Since then, the Trade Fair has grown considerably in scale and influence. High value commodities are traded at this event every year, and lucrative contracts sealing million-dollar deals are signed. For years, the Trade Fair has been a signature showcase of the economic (and diplomatic) success that an open economy can bring to the borderland. But the 2007 Trade Fair, as the vignette at the beginning adumbrates, ended on quite a different note.

On November 30<sup>th</sup>, 2007, when the Chinese traders and truck drivers were protesting in front of the Hekou Entry and Exit Inspection Center right next to the border gate, I joined my friends and went to see what was going on. The local police had already arrived and tried to separate the protestors from the spectators attracted by the commotion. Chinese traders were making their demands in unity and asking Hekou's local authorities to act quickly and negotiate with the Vietnamese. If this matter could not be settled quickly, they claimed, the Hekou government as the main organizer of the Trade Fair should compensate the traders for their losses. Most of the traders protesting were not of familiar faces, and my local trader friends were simply watching the commotion without joining in. Later that day I met up with Weifen, a seasonal pineapple trader and tour guide who has been doing business in Hekou for over a decade. I asked him what was going on at the Trade Fair and he vented out his frustration:

This is why we always say that the Vietnamese are not trustworthy, not honest (*bu kexin, bu laoshi* 不可信不老实). You see what is happening now? We are right about them. We have this Trade Fair every year, but this kind of nonsense never happened before! Last year the Trade Fair was held in Hekou. These Vietnamese came over with their expensive redwood furniture, and earned several million dollars at the Fair. We did not tax them a single cent for their furniture, because the main purpose of this Trade Fair is to provide opportunities and a platform for traders. Who would have thought that the Vietnamese are playing dirty tricks this year?

After Weifen complained enough about the Vietnamese, he changed target:

Of course, Chinese traders are upset! It is understandable. But they are making a huge deal out of this now! They all gathered at the border making a scene! Now the police have to go there. It is total chaos. How can these traders get what they want if they behave like this? In a situation like this, we Chinese should stick together. Why rile things up in our

own home turf? We are fighting amongst ourselves and the Vietnamese are getting away with their secret schemes (*yinmou decheng* 阴谋得逞). We are making a big scene here and they are laughing their teeth off watching us!

Embedded in Weifen's indignation is a chronic frustration that local traders have with their Vietnamese neighbours. Even though many Chinese traders in Hekou have come to terms with the Vietnamese style of doing business (which, according to them, is characterized by short-sighted greediness and crude dishonesty), they were still surprised by this incident and claimed that they did not expect such a glaring breach of agreement to happen in a high-profile event like the annual Trade Fair.

This incident and the surprise experienced by Chinese traders shed light on the fragile foundation of neighbourly interaction. When the seemingly harmonious border turns into a contested social space, the 'radical Otherness' (Žižek 2005) of the neighbour becomes visible and confronting. It reminds those involved in the neighbouring situation that familiar cross-border encounters can be unpredictable. This incident shows that the rhetoric of 'friendship' and 'harmony' is not capable of preventing confrontations and disruptions, and that the established order can be challenged without notice. Amidst the most amicable efforts to be good neighbours, suspicion lures, waiting to be confirmed (Žižek 1997).

For Hekou's traders, this Trade Fair incident was but another indication that one should never take the smooth sailing of border interaction for granted. If the official bilateral agreement on duty-free trade can be violated arbitrarily without warning, one could hardly be confident that individual deals and arrangements made in the marketplace would be honoured. Although feeling self-righteous, Hekou's traders had come to the realization that Hekou's local government had very little weight in bargaining with the Vietnamese government and in defending Chinese interest. On the one hand, Chinese traders were upset that the Vietnamese were not punished; on the other, they were concerned that if such punishment did happen it might jeopardize future opportunities. Many indeed were aware that their fellow Vietnamese traders were also victims of the arbitrary levy imposed by Vietnamese officials, but by blind anger and frustration they lashed out on all Vietnamese alike. Those who were new to cross-border trade could not do much except lament and indulge in wishful thinking that stern actions must be taken against the Vietnamese the next time around. Playing the hurt victim, they derived a particular sense of justice from excessive complaining. Others who had established deeper roots and enjoyed close

partnership with their Vietnamese counterpart also complained openly about Vietnamese dishonesty in the Chinese gathering, but they wasted no time in making quiet arrangements so that their goods could still make way to Vietnam via other, often illicit, routes.

## Coping with Neighbouring and Bordering

What came as a surprise to traders in Hekou were not merely the conflicts that took place at the Trade Fair, but the confrontation of the unexpected in the familiar. They had to come to recognize their own vulnerability and limitations as they failed to rein in, or even to predict, this neighbourly 'otherness'. Slavoj Žižek in his Lacanian analysis of the 'neighbour' wrote about the peculiar ways in which one encounters a 'neighbour' – the fully subjectivized Other par excellence. The 'neighbour' is someone like 'me', 'my fellow human beings with whom I am engaged in the mirror-like relationship of competition, mutual recognition and so forth' (Žižek 2005: 143). Under normal circumstances, neighbourly interactions are predicated upon social norms, established rules of engagement, and expected cultural etiquettes that underpin such interactions. However, once in a while, the unexpected happens and familiar norms of engagement are defied. This unexpected disruption reveals the precariousness and the fragility of neighbourly relations, as friendliness and courtesy can be ripped apart without warning as subterranean hostility comes to the surface. This is the moment when one is exposed to the 'neighbour as the impossible Thing that cannot be gentrified' (Žižek 2005: 143).

In an all too familiar way, the Chinese at the border re-enact a particular trope of 'minority contact' when they engage with the Vietnamese. Just as China's minority subjects are often constructed as modernity's Other (see e.g. Gladney 2004, Nyíri 2006, Schein 1997, 2000), some of the Chinese borderlanders and traders still harbor an impression that the Vietnamese are a 'minority' who should follow the Chinese lead in pursuit of frontier modernity. Many traders who visited Lao Cai likened this border town to a Chinese city 'in the 1980s', and compared the Vietnamese state of living to what the Chinese had already experienced in the past. They readily recognized the 'semblant', a familiar 'mirror image' of themselves personified by the Vietnamese, and relied on the Vietnamese reciprocal recognition to validate Chinese superiority.

When an unexpected incident took place, the Chinese illusion and the fragile nature of this imagined recognition was exposed. It came as

a telling moment when the Chinese were met with the potential threat of misrecognition they did not expect. When Weifen complained about the lack of unity of Chinese traders in crisis, he was imagining that the Chinese had become a laughing stock. This humiliating 'laughter' from the neighbour threatens to nullify the Chinese superior sense of self. The anxiety of being 'laughed at' is a constant source of potent paranoia at the border. A few traders related to me that they usually felt worst when their Vietnamese partners bragged about their own business savvy and laughed at Chinese gullibility. While the Vietnamese might be just joking about how naïve Chinese traders could be tricked into buying unmarketable commodities or overpriced products, Hekou's traders took these jokes as insults. Although they were not amused, fake laughter and compliment on Vietnamese business skills had to be made, because they also wanted to sign contracts and secure friendship. 'To survive one has to learn to make compromises', a furniture trader in Hekou told me, 'and you have to act as if you are on their side, and you agree with them even when you are offended by their stupid jokes'. 'Some Chinese are indeed gullible', he reasoned, 'perhaps they are too eager to make a deal; but most of the time Chinese traders are just too trusting, or maybe they do not mind losing a little money to the Vietnamese as a deal sweetener'. His words, however, could not hide the frustration that he had to 'sweeten' business deals more than he was willing to, and his 'generosity' could still be misinterpreted as a sign of lacking business acumen.

On the second day of the Trade Fair, Boss Jiang, a trader dealing in toys, hosted a banquet for his local business partners and guests from Zhejiang province. Conversations at this banquet at first circled around the troubled Trade Fair. Soon, everyone at the table was complaining about doing business with the Vietnamese. Boss Jiang talked about how he disliked the Vietnamese practice of doing business on credit (*shexiao* 赊销) instead of taking a loan from the bank, which would be the standard practice for most Chinese businessmen. Boss Jiang's Vietnamese partners were used to ordering large quantities of toys but never paid in full. If they could successfully sell the products in Vietnam, the balance was then repaid. If the sales were poor, the Vietnamese either further delayed the repayment, or requested not to pay until the sales picked up. Boss Jiang had several experiences that some of his new Vietnamese clients just ran away and disappeared without paying him at all. The money lost in these deals were 'tuition fees' (*jiao xuefei* 交学费), Jiang said; but he'd rather lose money for the benefit of learning the 'true nature' (*zhen mianmu* 真面目) of some Vietnamese traders and valuing those who were trustworthy. The Trade

Fair debacle was surprising, but he was not surprised what the 'greedy Vietnamese' would do to make a quick buck.

Boss Jiang's local friends also admitted that the Vietnamese could still indulge in 'backward' ways of doing business, such as relying on credit, because they were spoiled by Chinese traders like themselves. As the market competition intensified, Chinese were even willing to take a loss to secure a deal and hopefully a long-term partnership. It was frustrating for these Chinese traders, because while they had very little confidence in Vietnamese credibility, they had to carry out business with them on an unreliable system of trust, verbal agreement, and personal credit. They still agreed that networks and mutual trust were important for trans-border businesses; they also complained that such a 'trust' was often not very trustworthy.

It is this tricky 'neighbourly' reality that demands a particular market (ir)rationality where Chinese businessmen seem to be willing to accept unreasonable conditions just to make sure that they are not cut out of the game and their partners across the border remain friendly. Some of the businessmen I know did not mind cutting down prices to a minimum, or even offering the Vietnamese the possibility to 'borrow' commodities first and pay later. Boss Ding, a vegetable trader originally from Guangdong in southern China, had to tolerate the practice where his Vietnamese clients could choose and pick from a truckload of fresh produce delivered to their doorsteps. The Vietnamese had the advantage to pay for only the best and freshest produce and rejected the damaged ones as a result of the long transit. Several other vegetable and fruit traders like him were doing the same thing. They were afraid that if they demanded their clients to pay for the full truckload, the Vietnamese would simply go away and use another supplier instead. Over the years, Boss Ding spent a great amount of money and energy into making sure that his long-term Vietnamese clients were happy and comfortable, so that he would keep his business going. He trusted his clients, and called them his 'old friends'; but he also admitted that such a trust was high-maintenance work.

Another trader of fashion clothes, Boss Qin, who also came from Guangdong, usually gave free sample clothing to his Vietnamese partners to 'test the market'. Prior to the Trade Fair, he was communicating with his partners about marketing a new design of jeans. He sent two thousand pairs free of charge to his partners and waited to hear the result of the sales. If the sales were good, the Vietnamese would pay him back. If the sales were poor, the Vietnamese would simply return the unsold jeans back to him. He had been doing this for quite a few years. His Chinese trader friends called



him 'cheap' (*jian* 贱), but he said that he had little choice. At first this was an effective gimmick to attract new Vietnamese trading partners; pretty soon Boss Qin realized that he could not stop doing this even if he wanted to. The Vietnamese were so used to his 'friendly deals' that they would not have it any other way. Boss Qin was naturally not happy with this situation; however, he became used to it and received his reward for this trusting gesture. His partnership with the Vietnamese retailer was strong, and they maintained a very amicable relationship that was helpful for business. The Trade Fair saga did not frazzle him, as he had never relied on trading events such as this to make his business work. His partners had reassured him that once the drama quieted down, they would pull strings and make sure that his jeans go through customs without paying additional taxes. Now he just needed to wait. Boss Qin told me that in crisis like this, good friends on the other side were truly helpful. While he always held reservations about his Vietnamese partners, when the unexpected happened he had no better way but to trust their promises.

The Vietnamese had their reservations too. One of Boss Qin's partners, Mr Anh, a fashion retailer in Lao Cai, expressed his distrust against many Chinese traders he encountered. Having lived through the border war, during which time his father and uncles were enlisted as civilian soldiers, he saw the cruelty of Chinese soldiers burning down his house and other family properties. He loathed the Chinese for the invasion and for killing his fellow countrymen. When the border re-opened, he also saw opportunities to get rich when the Chinese brought in commodities that the Vietnamese needed. When cross-border trade just started, he remembered, the Vietnamese were sincere but the Chinese were scheming – they brought in low-quality rubbish such as used plastic ware, old clothes, and second-hand white goods that no one wanted in China and sold these to the Vietnamese. Some Chinese traders were bullying the Vietnamese into accepting these low quality goods for a high price. 'Even now the Chinese were not much better than before', he told me in one of our gatherings, 'their food was poisonous, their toys had lead, their soaps and lotions were full of harmful chemicals'. 'If the Vietnamese were picky', he reasoned, 'it was because we had to be – we don't want to sell low quality products to our customers'. He had been doing business with Boss Qin for over five years, and so far his trust over their partnership had not been compromised. He knew that Boss Qin would like to receive payment from him sooner; but he had to make sure that each batch of jeans he received was of good quality and was marketable. Until he had made sure by making a good profit, he would be reluctant to repay Boss

Qin. Although they have been good friends for many years, Mr Anh said, 'One can never be too careful'.

Cross-border trade at the Sino-Vietnamese frontier is full of ordinary suspicions, mild arguments, subtle conflicts, and carefully maintained trust. These are embedded in the 'agonistic intimacies' (Singh 2011) of neighbourly interactions. The façade of amicable relations and friendships is kept until the moment when the unexpected happens. When the normalcy of interactions is disrupted abruptly, the familiar social relations and practiced norms break down and prove to be inadequate and fragile.

The 2007 Trade Fair was one such moment when the Chinese traders were confronted by the very artificiality of border norms, and find themselves still unsettled by unexpected confrontations. At first, nothing seemed to be a good enough solution to redress the situation. Two days into the Trade Fair saga, the Hekou Ministry of Commerce proposed a plan to appease the disgruntled Chinese traders. For those who travelled from other provinces to the border, each would receive a compensation of RMB 4,000 (approximately US\$500) to cover transportation and incidental costs. A special trade zone was designated in Hekou's new trading district as a substitute for the Trade Fair, where Chinese traders could do business amongst themselves. Chinese traders were still unhappy about this solution, claiming that they had travelled long and far to engage with the Vietnamese market, rather than trading with fellow Chinese. For many, the insult was acutely felt when they were rejected entry at the border gate. Regarding themselves as honoured guests and model entrepreneurs, they felt mistreated and disrespected.

At Hekou's makeshift substitute trade zone, a sales representative of a famous regional winery in Yunnan expressed openly his indignation that what the Vietnamese did was a slap in the face. 'This incident was of an international scale', he declared to a small group of traders around him, 'and both the Chinese and Vietnamese central governments should take this matter seriously. The Vietnamese county government in Lao Cai was short-sighted, looking only for a quick income; and the Chinese county government in Hekou was weak and lacking strong muscles'. He suggested a strong retaliation the next time around. One man sitting at the next stall selling home entertainment systems stated that Hekou government should do something and show that China could not be easily bullied. 'For example', he suggested, 'in 2008 when the subsequent Trade Fair takes place, China should deny entry to all Vietnamese companies. It would teach the Vietnamese who's the boss'.

A week later, the 2007 Trade Fair ended quietly and most of the traders left town without further drama. The repercussions of this 'international

incident' were minimal. Although the 2007 Trade Fair did not receive comprehensive coverage in the local and provincial media (unlike in previous years), there were a few general reports on its success. The unpleasant conflicts disappeared completely in these reports. A month later, local traders in Hekou no longer took this incident seriously, as their deals still went through via various formal and informal channels. Peace and friendship resumed in business relations as if the incident never took place. 'It was difficult for our Vietnamese partners too', Weifen told me later on, 'and they also suffered loss like us. It was important to move on and not let this one incident damage our business'. Other businessmen were easy to forgive as well. They comforted themselves in thinking that a loss this time might bring profit in the long run. By 2008, when the subsequent annual Trade Fair took place in Hekou, no retaliation was made as the Fair was most ceremoniously held. Over three hundred Chinese companies and 60 Vietnamese companies joined the Fair, generating over US\$1 billion in revenue by trade and contracts (Hekou Ministry of Commerce 2008). Mitigating conflicts and letting go disputes is an essential skill in border living. This is a fundamental technique practiced for the benefit of intense everyday interactions and exchange. Since neighbours do not easily go away, unpleasant incidents are best forgotten.

### The Business of Future

On the opening day of the 2007 Trade Fair, while the Chinese traders were protesting in anger at the border, a grand opening ceremony took place on a meticulously decorated stage in the main event venue in Lao Cai. Huge red banners were hanging on each side of the stage with words of goodwill. On the left, the banner read 'friendly neighbours, all-round cooperation, long-term stability, future-oriented attitude' (*Mulin youhao, quanmian hezuo, changqi wending mianxiang weilai* 睦邻友好, 全面合作, 长期稳定, 面向未来). On the right, the banner read 'good neighbours, good comrades, good friends, good partners' (*Hao mulin, hao tongzhi, hao pengyou, hao huoban* 好睦邻, 好同志, 好朋友, 好伙伴). At the venue of the Trade Fair, however, rows after rows of empty booths were telling a different story. This emptiness rendered the 'good neighbours, good friends' rhetoric artificial and hollow. This void, like a grim reminder of the unexpected moments of neighbourly unease, pointed to the foundational precarity at the heart of the neighbouring interactions.

**Figure 9.1** The 2007 Border Trade fair, Lao Cai



Juan Zhang, 2007

**Figure 9.2** Empty Booths at the Trade Fair, Lao Cai



Juan Zhang, 2007

It would be wrong, however, to understand this precarity as an intrinsic threat to the legitimacy and integrity of neighbouring at the border. Becoming and being neighbours cannot escape this precarity. The point of neighbourly unease is the motivation it brings in managing relations between those who live in close contact. As Chinese at the border talk anxiously about Vietnamese dishonesty, they eagerly aim to demonstrate how different they are from their 'inferior' neighbour by taking (albeit sometimes involuntarily and reluctantly) the 'high ground'. The politics of differentiation are enacted when the Chinese aim to embody moral qualities of big-heartedness and generosity. Despite the performances, neighbouring unease does not go away quite easily. The point of unease is that neighbours are always reminded that friendship and surface harmony can be easily broken; and to make neighbouring work, compromises and strategies of pacification are necessary. Not unlike a localized practice of *huairou*, Chinese traders negotiate with the Vietnamese tactically and with care. Concessions and settlements are part of the neighbouring technique used to lubricate interactions and reduce friction; and grand ceremonies are always performed to mask tension.

In a sense, neighbourly unease is unexpectedly productive. The narrated distrust reveals that neighbouring relations need constant reinforcement. More efforts need to be invested in the celebration of harmony, mutual interest and a shared future of prosperity. Intimacies in trade relations are not devoid of doubts and suspicions. And traders on both sides (or at least on the Chinese side) are acutely aware that such doubts should be contained, tensions soothed, and mishaps forgiven. Neighbouring entails the ability to make compromises, to vet out frustrations, to forgive, and to move on.

The makeshift trading zone that was set up as a substitute of the 2007 Trade Fair was a newly developed business district in Hekou. It was designed to become a new face of the Hekou special economic zone. This zone, featured prominently by China's Central Television in a program on 'Looking for gold in Hekou' (*Dao Hekou qu taojin* 到河口去淘金), carries the promise of a prosperous future. When the Hekou government decided to use this new zone as the ideal location for the substitute Trade Fair, the intention was not only to solve the crisis at hand, but also to invite Chinese traders from interior regions to imagine the promising future of border trade in Hekou. Chinese traders were informed that the Red River Bridge, the third cross-border bridge between Hekou and Lao Cai, would be completed by 2009. By then, trucks would be able to take advantage of hassle-free border-crossing and swift inspections. A national new highway was constructed which could cut down travel time from Hekou to Kunming

by half. Business in the zone would be completely duty-free being a special zone within a special zone.

By early 2011, these promises all became reality. The new bridge is now directing most of the cargo traffic, and allowed trucks and passengers to clear customs 'within seconds' (Wang and Liu 2012). The new highway has cut down travel time considerably, although many truck drivers still prefer to go by old routes to save on toll fees. New border markets, condominiums, and shopping centres are changing the entire landscape of the new zone. Since 2007, annual Trade Fairs have been organized as planned, with each new one larger in scale and more profitable than the previous one. When I revisited Hekou in 2012, traders informed me that being friendly with Vietnam had indeed been a worthwhile effort. The 2007 Trade Fair debacle was just a minor setback in the process of all-round economic integration (*jingji yitihua* 经济一体化), not only between China and Vietnam but also China and the ASEAN market. The stage has been set. Those who know how to work with neighbours and share a vision of the future can best take advantage of what an opening border promises to offer, even though it may mean that they have to always live anxiously with their neighbours.